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**AMENDMENT TO H.R. 4157, AS REPORTED BY
THE SUBCOMMITTEE ON HEALTH
OFFERED BY MR. WYNN, MR. RUSH , Ms. SOLIS,
Ms. SCHAKOWSKY, AND MR. ENGEL**

[Page and line numbers refer to SUBCOMEC002 of June 9,
2006]

Page 20, after line 16, insert the following new section:

1 SEC. 106. FUNDING TO FACILITATE TRANSITION FOR
2 HEALTH CARE PROVIDERS SERVING LOW-IN-
3 COME POPULATIONS.

4 Part D of title II of the Public Health Service Act,
5 as added by section 101 and as amended by sections 103
6 and 104, is amended by adding at the end the following
7 new section:

8 "SEC. 274. GRANTS TO FACILITATE THE ADOPTION OF
9 INTEROPERABLE HEALTH INFORMATION
10 TECHNOLOGY IN CERTAIN PROVIDERS SERV-
11 ING LOW-INCOME POPULATIONS.

12 "(a) COMPETITIVE GRANTS TO ELIGIBLE ENTI-
13 TIES.—

14 "(1) IN GENERAL.—The Secretary may award
15 competitive grants to eligible entities (as defined in

1 subsection (f)(1)) to facilitate the purchase and en-
2 hance the utilization of qualified health information
3 technology systems to improve the quality and effi-
4 ciency of health care.

5 “(2) ELIGIBILITY.—To be eligible to receive a
6 grant under paragraph (1) an eligible entity shall—

7 “(A) submit to the Secretary an applica-
8 tion at such time, in such manner, and con-
9 taining such information as the Secretary may
10 require;

11 “(B) submit to the Secretary a strategic
12 plan for the implementation of data sharing
13 and interoperability measures;

14 “(C) adopt any applicable core interoper-
15 ability guidelines (endorsed under section
16 272(a)(3));

17 “(D) agree to notify patients if their indi-
18 vidually identifiable health information is
19 wrongfully disclosed; and

20 “(E) demonstrate significant financial need

21 “(3) USE OF FUNDS.—Amounts received under
22 a grant under this subsection shall be used to facili-
23 tate the purchase and enhance the utilization of
24 qualified health information technology systems and
25 training personnel in the use of such technology.

1 “(4) LIMIT ON GRANT AMOUNT.—In no case
2 shall the payment amount under this subsection with
3 respect to the purchase or enhanced utilization of
4 qualified health information technology for an eligi-
5 ble provider, in addition to the amount of any loan
6 made to the provider from a grant to a State under
7 subsection (b) for such purpose, exceed 100 percent
8 of the provider’s costs for such purchase or en-
9 hanced utilization (taking into account costs for
10 training, implementation, and maintenance).

11 “(b) COMPETITIVE GRANTS TO STATES FOR THE DE-
12 VELOPMENT OF STATE LOAN PROGRAMS FOR ELIGIBLE
13 ENTITIES.—

14 “(1) IN GENERAL.—The Secretary may award
15 competitive grants to States for the establishment of
16 State programs for loans to eligible entities to facili-
17 tate the purchase and enhance the utilization of
18 qualified health information technology.

19 “(2) ESTABLISHMENT OF FUND.—To be eligi-
20 ble to receive a competitive grant under this sub-
21 section, a State shall establish a qualified health in-
22 formation technology loan fund (referred to in this
23 subsection as a ‘State loan fund’) and comply with
24 the other requirements contained in this section. A
25 grant to a State under this subsection shall be de-

1 posited in the State loan fund established by the
2 State. No funds authorized by other provisions of
3 this section to be used for other purposes specified
4 in this section shall be deposited in any State loan
5 fund.

6 “(3) ELIGIBILITY.—To be eligible to receive a
7 grant under paragraph (1) a State shall—

8 “(A) submit to the Secretary an applica-
9 tion at such time, in such manner, and con-
10 taining such information (including the stra-
11 tegic plan described in paragraph (4)) as the
12 Secretary may require;

13 “(B) prepare and periodically update a
14 strategic plan under paragraph (4);

15 “(C) establish a qualified health informa-
16 tion technology loan fund in accordance with
17 paragraph (2);

18 “(D) require that eligible entities receiving
19 such loans—

20 “(i) link, to the extent practicable, the
21 qualified health information system to a
22 local or regional health information net-
23 work; and

1 “(ii) agree to notify patients if their
2 individually identifiable health information
3 is wrongfully disclosed; and

4 “(E) require that eligible entities receiving
5 such loans adopt any applicable core interoper-
6 ability guidelines (endorsed under section
7 272(a)(3)).

8 “(4) STRATEGIC PLAN.—

9 “(A) IN GENERAL.— A State that receives
10 a grant under this subsection shall prepare and
11 periodically update a strategic plan that identi-
12 fies the intended uses of amounts available to
13 the State loan fund of the State.

14 “(B) CONTENTS.—A strategic plan under
15 subparagraph (A) shall include—

16 “(i) a list of the projects to be as-
17 sisted through the State loan fund for each
18 fiscal year;

19 “(ii) a description of the criteria and
20 methods established for the distribution of
21 funds from the State loan fund; and

22 “(iii) the short-term and long-term
23 goals of the State loan fund.

24 “(5) USE OF FUNDS.—

1 “(A) IN GENERAL.—Amounts deposited in
2 a State loan fund, including loan repayments
3 and interest earned on such amounts, shall be
4 used only for awarding loans or loan guaran-
5 tees, or as a source of reserve and security for
6 leveraged loans, the proceeds of which are de-
7 posited in the State loan fund established under
8 paragraph (1). Loans under this section may be
9 used by an eligible entity to facilitate the pur-
10 chase and enhance the utilization of qualified
11 health information technology and training of
12 personnel in the use of such technology.

13 “(B) LIMITATION.—Amounts received by a
14 State under this subsection may not be used—

15 “(i) for the purchase or other acquisi-
16 tion of any health information technology
17 system that is not a qualified health infor-
18 mation technology system;

19 “(ii) to conduct activities for which
20 Federal funds are expended under this sec-
21 tion, or the amendments made by the Bet-
22 ter Health Information System Act of
23 2006;

1 “(iii) for any purpose other than mak-
2 ing loans under this section to eligible enti-
3 ties; or

4 “(iv) for amounts above the total cost
5 of the acquisition, implementation, training
6 and maintenance of the qualified health in-
7 formation system of an eligible entity
8 minus the sum of the amount of grant
9 funds received by the entity for such pur-
10 pose under subsection (a) for such pur-
11 pose.

12 “(6) TYPES OF ASSISTANCE.—Except as other-
13 wise limited by applicable State law, amounts depos-
14 ited into a State loan fund under this subsection
15 may only be used for the following:

16 “(A) To award loans that comply with the
17 following:

18 “(i) The interest rate for each loan
19 shall be less than or equal to the market
20 interest rate.

21 “(ii) The principal and interest pay-
22 ments on each loan shall commence not
23 later than 1 year after the loan was award-
24 ed, and each loan shall be fully amortized

1 not later than 10 years after the date of
2 the loan.

3 “(iii) The State loan fund shall be
4 credited with all payments of principal and
5 interest on each loan awarded from the
6 fund.

7 “(B) To guarantee, or purchase insurance
8 for, a local obligation (all of the proceeds of
9 which finance a project eligible for assistance
10 under this subsection) if the guarantee or pur-
11 chase would improve credit market access or re-
12 duce the interest rate applicable to the obliga-
13 tion involved.

14 “(C) As a source of revenue or security for
15 the payment of principal and interest on rev-
16 enue or general obligation bonds issued by the
17 State if the proceeds of the sale of the bonds
18 will be deposited into the State loan fund.

19 “(D) To earn interest on the amounts de-
20 posited into the State loan fund.

21 “(7) ADMINISTRATION OF STATE LOAN
22 FUNDS.—

23 “(A) COMBINED FINANCIAL ADMINISTRA-
24 TION.—A State may (as a convenience and to
25 avoid unnecessary administrative costs) com-

1 bine, in accordance with State law, the financial
2 administration of a State loan fund established
3 under this subsection with the financial admin-
4 istration of any other revolving fund established
5 by the State if otherwise not prohibited by the
6 law under which the State loan fund was estab-
7 lished.

8 “(B) COST OF ADMINISTERING FUND.—
9 Each State may annually use not to exceed 4
10 percent of the funds provided to the State
11 under a grant under this subsection to pay the
12 reasonable costs of the administration of the
13 programs under this section, including the re-
14 covery of reasonable costs expended to establish
15 a State loan fund which are incurred after the
16 date of enactment of this section.

17 “(C) GUIDANCE AND REGULATIONS.—The
18 Secretary shall publish guidance and promul-
19 gate regulations as may be necessary to carry
20 out the provisions of this subsection,
21 including—

22 “(i) provisions to ensure that each
23 State commits and expends funds allotted
24 to the State under this subsection as effi-

1 ciently as possible in accordance with this
2 section and applicable State laws; and

3 “(ii) guidance to prevent waste, fraud,
4 and abuse.

5 “(D) PRIVATE SECTOR CONTRIBUTIONS.—

6 “(i) IN GENERAL.—A State loan fund
7 established under this subsection may ac-
8 cept contributions from private sector enti-
9 ties, except that such entities may not
10 specify the recipient or recipients of any
11 loan issued under this subsection.

12 “(ii) AVAILABILITY OF INFORMA-
13 TION.—A State shall make publicly avail-
14 able the identity of, and amount contrib-
15 uted by, any private sector entity under
16 clause (i) and may issue letters of com-
17 mendation or make other awards (that
18 have no financial value) to any such entity.

19 “(8) ANNUAL REPORTS.—

20 “(A) BY STATES TO THE SECRETARY.—
21 Each State receiving a grant under this sub-
22 section shall submit an annual report to the
23 Secretary for each fiscal year for which loans
24 are provided under the grant. Each annual re-
25 port shall include—

1 “(i) a description of the use of grant
2 funds by the State loan fund in the fiscal
3 year, including projects assisted through
4 such fund;

5 “(ii) a list of the projects to be as-
6 sisted through the State loan fund in the
7 succeeding fiscal year, as contained in the
8 strategic plan under paragraph (4);

9 “(iii) a description of the financial
10 status of the State loan fund; and

11 “(iv) such other information as the
12 Secretary may require regarding the grant
13 or the loan fund.

14 “(B) BY SECRETARY TO CONGRESS.—The
15 Secretary shall annually submit to the Com-
16 mittee on Health, Education, Labor, and Pen-
17 sions and the Committee on Finance of the
18 Senate, and the Committee on Energy and
19 Commerce and the Committee on Ways and
20 Means of the House of Representatives, a re-
21 port summarizing the reports received by the
22 Secretary under subparagraph (A).

23 “(c) TECHNICAL ASSISTANCE.—The Secretary shall
24 provide technical assistance to eligible entities to enable
25 them to—

1 “(1) understand in a culturally and linguis-
2 tically appropriate manner, implement, and use evi-
3 dence-based guidelines with the greatest potential to
4 improve health care quality, efficiency, and patient
5 safety; and

6 “(2) establish mechanisms for the rapid dis-
7 semination of information regarding evidence-based
8 guidelines with the greatest potential to improve
9 health care quality, efficiency, and patient safety.

10 “(d) GAO STUDY.—

11 “(1) IN GENERAL.—The Comptroller General of
12 the United States shall conduct a study of the finan-
13 cial and technical needs of communities that utilize
14 eligible entities with respect to implementing health
15 information technology systems.

16 “(2) REPORT.—Not later than one year after
17 the date of the enactment of this section, the Comp-
18 troller General shall submit to Congress a report on
19 the study conducted under paragraph (1).

20 “(e) AUTHORIZATION OF APPROPRIATIONS.—

21 “(1) IN GENERAL.—For the purpose of car-
22 rying out this section, there is authorized to be ap-
23 propriated \$120,000,000 for fiscal year 2007,
24 \$140,000,000 for fiscal year 2008, and such sums

1 as may be necessary for each of fiscal years 2009
2 through 2011.

3 “(2) AVAILABILITY.—Amounts appropriated
4 under paragraph (1) shall remain available through
5 fiscal year 2011.

6 “(f) DEFINITIONS.—In this section:

7 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
8 tity’ means any of the following:

9 “(A) A hospital that is receiving a dis-
10 proportionate share payment adjustment under
11 section 1923 of the Social Security Act.

12 “(B) A Federally qualified health center
13 (as defined in section 1905(l)(2)(B) of the So-
14 cial Security Act).

15 “(C) A Governmentally-owned hospital.

16 “(D) A nonprofit hospital that a low-in-
17 come utilization rate (as determined by the Sec-
18 retary) that is 65 percent or higher.

19 “(E) A primary care association.

20 “(F) A community health network.

21 “(G) Any other entity as deemed appro-
22 priate by the Secretary.

23 “(2) HEALTH INFORMATION; INDIVIDUALLY
24 IDENTIFIABLE HEALTH INFORMATION.—The terms
25 ‘health information’ and ‘individually identifiable

1 health information' have the meanings given those
2 terms in paragraphs (4) and (6), respectively, of sec-
3 tion 1171 of the Social Security Act (42 U.S.C.
4 1320d).

5 “(3) QUALIFIED HEALTH INFORMATION TECH-
6 NOLOGY.— The term ‘qualified health information
7 technology’ means a system or components of health
8 information technology that meet any applicable core
9 interoperability guidelines (endorsed under section
10 272(a)(3)) when in use or that use interface soft-
11 ware that allows for interoperability in accordance
12 with such guidelines.

13 “(4) STATE.—The term ‘State’ means each of
14 the several States, the District of Columbia, Puerto
15 Rico, the Virgin Islands, Guam, American Samoa,
16 and the Northern Mariana Islands.”.